*****Not to be distributed*****

DEVELOPING A SYSTEM OF FINANCIAL ADMINISTRATION

Extracts selected by
the Office for the Development of Administrative Systems
30 December 2024

1. Not only does this advance in culture influence relations among individuals, but its effects can also be felt in the conduct of the administrative affairs of the Faith. As learning has come to distinguish the community's mode of operation, certain aspects of decision making related to expansion and consolidation have been assigned to the body of the believers, enabling planning and implementation to become more responsive to circumstances on the ground…. The workings of this cluster-level system, born of exigencies, point to an important characteristic of Bahá'í administration: Even as a living organism, it has coded within it the capacity to accommodate higher and higher degrees of complexity, in terms of structures and processes, relationships and activities, as it evolves under the guidance of the Universal House of Justice.
   (From the Riḍván 2010 Message written by the Universal House of Justice to the Bahá'ís of the world)

2. Eighty years ago, a letter written on behalf of the Guardian described Bahá'í administration as "the first shaping of what in future will come to be the social life and laws of community living". Today, at the beginning of the second century of the Formative Age, the shape of Bahá'í administration has developed considerably, and its continued development will be essential for the release of the society-building power of the Faith.
   (From a message dated 30 December 2021 written by the Universal House of Justice to the Conference of the Continental Boards of Counsellors)

3. The financial questions that confront the Cause are all very pressing and important. They need a judicious administration and wise policy. We should study the needs of the Cause, find which field will give the greatest yield, and then appropriate the necessary funds. And such a task is surely most difficult and responsible.
   (From a letter dated 19 December 1929 written on behalf Shoghi Effendi to an individual believer)

4. He urges your Assembly, in addition to expediting the Temple work as much as reasonably possible, to carefully supervise expenditures and prevent the architect from getting extravagant ideas. It is only through a wise economy, the elimination of non-essentials, concentration on essentials and a careful supervision, that the Guardian himself has been able to build the Shrine and the International Archives at the World Centre, and surround the Holy Places here by what appear in the eyes of the public to be lavish gardens, but are in reality the result of rigorous and economical planning. This will not only ensure that the budget of the Temple is adhered to, but will be a salutary example to the African Bahá'ís, who must not be led to believe that because the Bahá'ís of the world are building for them a Temple in the heart of their homelands, our resources are infinite and that the affairs of the Cause can be supported from abroad. The more they see that economy and intelligent supervision of the work is carried on in connection with their own Temple, the more they will be encouraged to feel some financial responsibility toward their National Body.

Having very little themselves, it is a delicate matter, and as he already informed your Assembly, under no circumstances should a heavy budget be imposed upon such weak communities, and thus discourage them from the outset, or lead them to believe that like the Missions, our money comes from abroad.
(From a letter dated 8 August 1957 written on behalf of Shoghi Effendi to a National Spiritual Assembly)

5. Referring to rectitude of conduct, Shoghi Effendi spoke of the "justice, equity, truthfulness, honesty, fair-mindedness, reliability, and trustworthiness" that must "distinguish every phase of the life of the Bahá'í community." Though applicable to all its members, this requisite was directed principally, he underscored, to its "elected representatives, whether local, regional, or national," whose sense of moral rectitude should stand in clear contrast to "the demoralizing influences which a corruption-ridden political life so strikingly manifests". The Guardian called for "an abiding sense of undeviating justice" in a "strangely disordered world" and quoted extensively from the Writings of Bahá'u'lláh and 'Abdu'l-Bahá, setting the sights of the friends on the highest standards of honesty and trustworthiness. He appealed to the believers to exemplify rectitude of conduct in every aspect of their lives—in their business dealings, in their domestic lives, in all manner of employment, in every service they render to the Cause and to their people—and to observe its requirements in their uncompromising adherence to the laws and principles of the Faith… Let the coordinators of every training institute, the members of every Area Teaching Committee, every Auxiliary Board member and every one of his or her assistants, and all members of every local, regional and national Bahá'í body, whether elected or appointed, appreciate the significance of the Guardian's plea to ponder in their hearts the implications of the moral rectitude which he described with such clarity. May their actions serve as a reminder to a beleaguered and weary humanity of its high destiny and its inherent nobility.
(From a message dated 28 December 2010 written by the Universal House of Justice to the Conference of the Continental Boards of Counsellors)

6. While spiritual qualities such as trustworthiness and honesty will remain at the foundation, a process of capacity building to administer the funds of the Faith requires concerted effort over time to increase understanding, strengthen skills and foster proper attitudes.
(From a letter dated 15 August 2014 written on behalf of the Universal House of Justice to an individual believer)

7. Occupied as it is in the promotion of spiritual and material civilization, the institution of the Counsellors is naturally concerned with the multiplication and management of material means. The Counsellors have a keen interest in all the funds of the Faith, and the Auxiliary Board members make every effort to educate the believers, new and old, on the spiritual significance of contributing to the Fund. They also help develop in the various institutions and agencies of the community the capacity to expend funds in a judicious and effective manner…. The Counsellors also have at their disposal a number of subvention funds which enable them to supplement the finances of National Spiritual Assemblies when there are special needs or opportunities that cannot otherwise be met.
(From a document dated January 2001 prepared by the Universal House of Justice, entitled "The Institution of the Counsellors")

1. STRENGTHENING THE FUNDS OF THE FAITH

8. That you may reinforce this Teaching Campaign -- so vitally needed in these days -- and conduct, properly and efficiently, the rest of your manifold activities, spiritual as well as humanitarian, it is urgently necessary to establish that Central Fund, which, if generously supported and upheld by individual friends and Local Assemblies, will soon enable you to execute your plans with promptness and vigour.
(Shoghi Effendi, Bahá'í Administration, p. 49)

1.1 Raising the consciousness of the believers concerning their sacred obligation of contributing to the Fund

9. Real growth of your material resources will come about through two primary means: increase in the number of believers, and increase in the effectiveness of the education of the believers concerning their spiritual obligations, among which is financial support of Bahá'í institutions. In both respects the assistance of the Continental Counsellors and their auxiliaries, in promoting the teaching work and in fostering the spiritual education of the friends, is indispensable.
(From a letter dated 26 April 1993 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

10. A corollary to the sacred obligation of the friends to contribute to the Funds of the Faith, is the direct and unavoidable responsibility of each Local and National Assembly to educate them in the spiritual principles related to Bahá'í contributions. Failure to educate the friends in this aspect of the Faith is tantamount to consciously depriving them of the spiritual benefits accruing from giving in the path of God.
(From a letter dated 13 April 1975 written on behalf of the Universal House of Justice to selected National Spiritual Assemblies)

11. Contributing to the Bahá'í Fund constitutes an act of spiritual discipline which is an intrinsic element of the devotional life of the individual. No believer should be unaware of the privilege of contributing to the advancement of the Cause of God, irrespective of his material circumstances. The practice of giving to the Fund strengthens the connection between the believer and the Cause and enhances his sense of identification with it. Divine confirmations redound upon those who offer a portion of their material resources in a spirit of sacrifice, motivated by their love of the Faith and their desire to assist in its progress.
(From a letter dated 17 September 1992 written by the Universal House of Justice to all members of the Continental Boards of Counsellors)

12. The future civilization envisaged by Bahá'u'lláh is a prosperous one, in which the vast resources of the world will be directed towards humanity's elevation and regeneration, not its debasement and destruction. The act of contributing to the Fund, then, is imbued with profound meaning: it is a practical way of hastening the advent of that civilization, and a necessary one, for as Bahá'u'lláh Himself has explained, "He Who is the Eternal Truth—exalted be His glory—hath made the fulfilment of every undertaking on earth dependent on material means." The Compilation of Compilations, volume I, no. 1132 Bahá'ís conduct their lives in the midst of a society acutely disordered in its material affairs. The process of community building they are advancing in their clusters cultivates a set of attitudes towards wealth and possessions very different from those holding sway in the world. The habit of

regularly giving to the Funds of the Faith—including in-kind contributions particularly in certain places—arises from and reinforces a sense of personal concern for the welfare of the community and the progress of the Cause. The duty to contribute, just like the duty to teach, is a fundamental aspect of Bahá'í identity which strengthens faith. The sacrificial and generous contributions of the individual believer, the collective consciousness promoted by the community of the needs of the Fund, and the careful stewardship of financial resources exercised by the institutions of the Faith can be regarded as expressions of the love that binds these three actors more closely together. And ultimately, voluntary giving fosters an awareness that managing one's financial affairs in accordance with spiritual principles is an indispensable dimension of a life lived coherently. It is a matter of conscience, a way in which commitment to the betterment of the world is translated into practice.
(From a message dated 29 December 2015 written by the Universal House of Justice to the Conference of the Continental Boards of Counsellors)

13. Of course, the participation of the friends in the courses of the training institute enhances their capacity to converse with their fellow believers about the spiritual significance of contributing to the Fund and to cultivate an environment in which it is natural to offer voluntary service to the Cause. Beyond this, raising awareness among the friends of the need for a continuous flow of material resources to support the work of the Faith will be essential as the community continues to expand.
(From a letter dated 29 December 2013 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

14. Clearly, the full capacity of the Bahá'í community of […] to contribute to the National Fund remains latent. In order to raise the awareness of individuals and families in this regard, you will no doubt wish to ensure that educational efforts are driven primarily by those friends serving as close to the grassroots of the community as possible, rather than being directed from the national level. To achieve this, the institutions and agencies at the regional, cluster, and local levels will need to gain greater experience and capacity in relation to fostering a culture of joyful and generous giving, and it is towards this end that efforts at the national level should largely be focused.
(From a letter dated 30 May 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

15. Assured of a maximum contribution from the Bahá'í International Fund, you can pay your greatest attention to cultivating in your community a growing commitment to supporting the National Fund. This, as you are of course aware, is an objective that, while requiring a strategic and systematic approach, rests in no small part on the strength of the spiritual bond uniting your institution and the body of believers in […].
(From a letter dated 7 March 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

16. Closely related to deepening the Bahá'í community in the spiritual nature of their contributions to the Fund is the need for the institutions of the Faith to be seen to be administering the Fund in a wise, realistic and economical manner. The judicious use of funds for purposes related to the staffing and functioning of the National Office, the allocations made by the National Assembly for property acquisition, and the travels of

Assembly and Committee members, as well as the care with which existing properties are being maintained, all contribute to building confidence among the believers and inspiring them to sacrifice. If this confidence is eroded, the believers react by with-holding their funds or by diverting them to other channels. Your Assembly is encouraged to monitor carefully the expenditures made from the National Fund, and to be continually watchful to ensure that you do not lose the confidence of the community in your administration of the funds entrusted to you.
(From a letter dated 14 November 1988 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

1.2 Encouraging universal participation within the community

17. Given this, it is vital that all the friends are well informed of the increasing dynamism and transformative impact of the Faith's work across clusters, townships, and neighbourhoods. The friends should appreciate the promise of this moment for the Faith in their nation. Successive generations of faithful believers have worked hard to establish in […] a pattern of action that enables Bahá'u'lláh's Teachings to touch and transform the lives of the masses. Yet, progress has, for many years, been intermittent. Now, in these early years of the Nine Year Plan, that long-cherished goal appears well within your community's grasp. Therefore, all the friends in […] are urged not to be lax but to be diligent in fulfilling their sacred duty of contributing to the material means needed to sustain and accelerate this spiritual enterprise. They are encouraged to respond with full trust to the appeals of their institutions and not let worldly comfort rob them of the honour and privilege of aiding, in this vital way, the Cause of the Blessed Beauty. This is, of course, essential to believers of all ages and circumstances. Still, the House of Justice holds a fervent hope for the young women and men, those in the early or middle stages of their careers and occupations: that, in their support for the Fund, their commitment may equal—nay, exceed—the heroic commitment of preceding generations of believers.
(From a letter dated 15 October 2024 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

18. That these advances would test your community's capacity and financial resources is to be expected. Yet, the House of Justice is confident that your community can meet the growing demands on your National Fund. It is therefore happy to learn of the systematic efforts being made to strengthen the believers' commitment in this regard. You will need to continue to foster various mechanisms at the grassroots for educating the believers about their sacred duty to sacrificially give to the Fund. Regardless of whether they are veteran or new believers, have ample or modest means, are isolated or in large communities, all should be assisted to appreciate profoundly their spiritual privilege of giving to the Fund. This should be done irrespective of the intensity of the friends' engagement in the community-building process, as supporting the Fund is among the most meritorious services everyone can render to the Faith and the advance of the Divine Plan.
(From a letter dated 15 October 2024 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

19. The institution of the National Fund, so vital and essential for the uninterrupted progress of these activities must, in particular, be assured of the whole-hearted, the ever-increasing and universal support of the mass of believers, for whose welfare, and in whose name, these

beneficent activities have been initiated and have been conducted. All, no matter how modest their resources, must participate.
(In the handwriting of Shoghi Effendi, appended to a letter dated 8 August 1957 written on his behalf to a National Spiritual Assembly)

20. In addition to the various actions you are contemplating in order to reach out to the generality of the believers and to the friends of substantial means, you are asked to give special attention to youth and young adults. After all, a community is never static; those friends at the forefront of supporting the funds today have set a pace that must be followed by successive generations who will be prepared to shoulder this responsibility. As young people arise to play their part in fostering the spiritual and social advancement of their communities, joyful giving should naturally be an integral aspect of their spiritual education and lived experience.
(From a letter dated 30 May 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

21. …beyond educating the friends concerning their sacred responsibility, your Assembly may wish to emphasize the strengthening of a culture in which the believers use whatever means are available to them in order to support the activities unfolding in their own communities. For instance, it might be that in some of your clusters, resources such as food and housing, needed for organizing institute campaigns, youth gatherings, or reflection meetings, are offered by the community. Such participation, by raising awareness of the needs and providing a range of possibilities to contribute to meeting them, will ultimately enable growing numbers of believers to increase their commitment to giving to the Funds of the Faith. This is a matter that requires your ongoing attention and consultation with the Counsellors.
(From a letter dated 31 August 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

22. As you guide your community on this issue, you will no doubt wish to clarify certain parameters. For example, in all cases the believers must be careful not to solicit contributions from the friends of the Faith, in cash or in kind. It should also be made clear that participation of the friends of the Faith in specific projects as described above is simply a natural consequence of the pattern of intimate association that develops among those working together for the betterment of their communities; accepting this kind of support is thus not motivated by a desire to cover a portion of the costs. As your community deepens its engagement with the wider society, other questions are bound to arise in relation to receiving material or other contributions from those who are not yet formally enrolled in the Faith, and it would be prudent to allow the believers on the ground to decide how to proceed in each case, within the framework provided by your Assembly.
(From a letter dated 25 June 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

23. …throughout your country, there are multitudes engaged in the community-building process who are increasingly taking charge of their own spiritual and material development, inspired by the teachings of Bahá'u'lláh and bolstered by the methods and instruments of the global Plans. While those who are yet to enrol in the Faith do not have the bounty of contributing to the Funds of the Faith, it would be natural that, as active protagonists, they would wish to assume ever-greater responsibility for meeting the material requirements of

activities that they have come to regard as their own. There will thus be a need to foster in neighbourhoods and villages an atmosphere that welcomes and accommodates such a desire. The institutions and agencies of the Faith have much to learn about the participation of populations in meeting the material requirements of the processes unfolding at the grassroots.
(From a letter dated 30 May 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

1.2.1 Other means of contributing

24. Just as one deputizes another to teach in one's stead by covering the expenses of a pioneer or travelling teacher, one can deputize a teacher serving an institute, who is, of course, a teacher of teachers. To do so, one may make contributions to the Continental Bahá'í Fund, as well as to the Local, National and International Funds, earmarked for this purpose.
(From the Riḍván 1996 Message written by the Universal House of Justice to the Bahá'ís of the world)

25. It must be remembered that while it is permissible to use pledges as a means of encouraging contributions and of bringing the financial needs of the Assembly to the attention of the friends, it is entirely inappropriate to apply any pressure when calling for a pledge or when endeavouring to collect it. Pledges constitute only an intention to contribute and as such their redemption is a matter of conscience for the individual, not an obligation in a legal sense. Lists of those making pledges must not be publicised.

    Contribution to the Funds of the Faith is a sacred obligation of each believer. The institutions of the Faith should exercise great care that no coercion be placed on the friends so that the sacredness of their privilege to contribute towards the work of the Cause may not be violated.
    (From a letter dated 7 June 1992 written on behalf of the Universal House of Justice to an individual believer)

26. …you may wish to reconsider the scheme in which the friends are asked to contribute one […] per day to the National Fund. As you can appreciate, this would not be in keeping with the freedom the friends have in deciding the amount of their contributions, nor with the principle that it is the degree of sacrifice of the giver, the love with which the gift is made, and the unity of all the friends in this service which brings spiritual confirmations.
(From a letter dated 6 February 2011 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

27. The House of Justice feels that it is important for the friends never to lose sight of the fact that contributing to the Fund is a spiritual responsibility and privilege of profound significance in the spiritual life of the individual believer, and care must be taken not to trivialize this aspect of Bahá'í life or to treat it with a lack of dignity.
(From a letter dated 5 October 2005 written on behalf of the Universal House of Justice to an individual believer)

28. The House of Justice notes that you will foster the conduct of fund-raising events on certain specific occasions during the year. These measures should be very helpful in meeting your needs. However, you should take great care to avoid creating the impression among the

believers that they can discharge their obligations to the Bahá'í Fund simply by participating in those fund-raising events. There is no substitute for regular and sustained contributions throughout the year, as an integral part of their activities as devoted believers. This systematic approach to support of the Fund should eventually become an essential element of Bahá'í community life throughout […].
(From a letter dated 31 October 2002 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

1.2 Strengthening the National Fund

29. As the activities of the American Bahá'í community expand, and its world-wide prestige correspondingly increases, the institution of the National Fund, the bedrock on which all other institutions must necessarily rest and be established, acquires added importance, and should be increasingly supported by the entire body of the believers, both in their individual capacities, and through their collective efforts, whether organized as groups or as local Assemblies. The supply of funds, in support of the National Treasury, constitutes, at the present time, the life-blood of those nascent institutions which you are laboring to erect. Its importance cannot, surely, be overestimated. Untold blessings shall no doubt crown every effort directed to that end.
(From a postscript in the handwriting of Shoghi Effendi appended to a letter dated 29 July 1935, written on his behalf to a National Spiritual Assembly)

30. The National Fund must be firmly established, generously supported and universally and continuously upheld, for it is the prerequisite of future progress and achievement.
(In the handwriting of Shoghi Effendi, appended to a letter dated 25 May 1926 written on his behalf to an individual believer)

1.3.1 Taking the believers into its confidence regarding the financial needs of the Faith

31. As you are aware, the purpose of presenting an annual financial report at Convention is not to demonstrate financial transparency but to give the friends a better understanding of the vitality of the National Fund and how their contributions are used. Although sharing information can serve to build the confidence of the friends in the National Assembly and encourage them to support the financial needs of the Faith, the level of detail to be included in the financial report and the manner of its presentation are a matter of judgement and are to be determined by your Assembly on the basis of a variety of factors.
(From a letter dated 14 June 2015 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

32. As you are no doubt aware, giving regularly and sacrificially to the Fund is not only a measure of faith and love for the Cause, but is also intimately connected to an individual's consciousness of and dedication to promoting the Plans of the Faith. For through such contributions every believer, irrespective of the level of personal involvement in the activities of the community that his or her current circumstances allow, can take part in building the world anew. Beyond the general appeals that your Assembly issues from time to time, you are encouraged to organize a number of gatherings across the country at which your representatives can explain in greater detail the unfoldment of the Plan in your country, the challenging goals before your community, and the material requirements that will fuel this spiritual enterprise. The House of Justice is certain that the friends will appreciate your

efforts to take them into your confidence regarding the urgent needs of the Cause and will respond with the same spirit of generosity that has always characterized your community. Naturally, these gatherings would be held in a rarified atmosphere, completely free from undue pressure being placed on the participants.
(From a letter dated 25 March 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

33. The House of Justice would appreciate if you were to arrange for small meetings to be held, in suitable settings, with Bahá'ís of substantial means, on which occasions the pressing needs of the Bahá'í International Fund could be presented to them. These meetings should be conducted either by a member of your National Spiritual Assembly acting on your behalf, or by a reliable believer who is selected to act as your representative. The gatherings should be dignified and sober in tone, and should be free from undue pressure being placed on the participants to make a commitment to contribute.
(From a letter dated 4 February 1997 written on behalf of the Universal House of Justice to selected National Spiritual Assemblies)

34. …I feel urged to remind you of the necessity of ever bearing in mind the cardinal principle that all contributions to the Fund are to be purely and strictly voluntary in character. It should be made clear and evident to every one that any form of compulsion, however slight and indirect, strikes at the very root of the principle underlying the formation of the Fund ever since its inception. While appeals of a general character, carefully-worded and moving and dignified in tone are welcome under all circumstances, it should be left entirely to the discretion of every conscientious believer to decide upon the nature, the amount, and purpose of his or her contribution for the propagation of the Cause.
(Shoghi Effendi, Bahá'í Administration, p.101)

35. As you move forward in your efforts to foster the education of the believers regarding the material needs of the community and the sacred responsibility of contributing to the Fund, and as you take steps to facilitate a broader participation of the believers in this aspect of Bahá'í life, you are encouraged to continue to reflect periodically on the effectiveness of those efforts, including the progress made in the various lines of action mentioned in your recent letter ….
(From a letter dated 13 December 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

1.3.3 Strengthening the Local Fund

36. The beloved Guardian has explained that the general and national interests of the Cause take precedence over local ones; thus contributions to local funds are secondary to those to national funds. However, the stability of the National Assembly rests on the firmness of the Local Spiritual Assemblies, and in the matter of educating the friends in the importance of the Fund, it is often most practical and efficacious to concentrate at first on the development of the local funds and the efficient operation of the Local Spiritual Assemblies. Then, once the friends understand the principle and learn from experience at a local level, they will the more easily understand the importance of the national fund and the work of the National Spiritual Assembly.
(From a letter dated 7 August 1985 written by the Universal House of Justice to National Spiritual Assemblies)

37. It would be useful also if you were to keep all Local Assemblies informed of the projects and activities planned by the National Assembly which call for the expenditure of funds. In seeing that they are informed of the needs of the National Fund, you may suggest a certain percentage as a guide to them in making contributions. In doing this, you may point out to each of them, depending on their particular financial capabilities, that support of the National Fund is an obligation not only of the believers, but of all Local Assemblies as well. *(From a letter dated 15 August 1996 written on behalf of the Universal House of Justice to a National Spiritual Assembly)*

38. The focus you are placing on the development of the Local Fund is, of course, not just as a matter of financial administration. It must be understood as one of the most significant next steps in the consolidation of the community in the east. As with all major objectives, its pursuit will require a clear understanding of the social and economic realities of that region so that the manner in which the matter is framed and how the educational process and the relevant mechanisms are conceived draw on the culture, the experience, and the aspirations of the population. It will therefore be important that all the steps that are taken in this respect are with the full involvement of the regional agencies, the Auxiliary Board members, and the Local Spiritual Assemblies.
(From a letter dated 29 January 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

39. Social justice will be attained only when every member of society enjoys a relative degree of material prosperity and gives due regard to the acquisition of spiritual qualities. The solution, then, to prevailing economic difficulties is to be sought as much in the application of spiritual principles as in the implementation of scientific methods and approaches. The family unit offers an ideal setting within which can be shaped those moral attributes that contribute to an appropriate view of material wealth and its utilization.
(From a letter dated 2 April 2010 written by the Universal House of Justice to the Believers in the Cradle of the Faith)

40. Many, indeed, are the ways in which the family can contribute to the life of society—for example, as an economic unit it can play a significant part in alleviating a variety of problems born of the economic inequalities so prevalent in the world today.
(From a letter dated 2 April 2010 written by the Universal House of Justice to the Believers in the Cradle of the Faith)

41. In addition, as groups of families come together to pray and discuss issues related to their spiritual and material development, conversations can occur about how to take greater responsibility for the material requirements necessary to support community building activities being carried out within their neighbourhood or village. Of course, many friends in these families may not be members of the Bahá'í community and, as you well know, they would not contribute to the Funds of the Faith. Nevertheless, a natural consequence of the pattern of intimate association that develops among those working together for the betterment of their communities is a desire to provide a share of the resources needed. In this connection, if such friends express the desire to offer personal labour, expertise, or modest in-kind contributions towards the activities in which they are involved, their offer may be accepted.
(From a letter dated 16 October 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2. ADMINISTERING THE NATIONAL FUND

42. The National Spiritual Assembly itself has ultimate responsibility for the wise and economical use of the funds of the Faith, but it cannot, as a body, approve every payment. It must devolve authority for expenditure on its committees and other agencies responsible for carrying out the work of the Cause. At the same time the National Assembly must retain overall control. The budget adopted for the year will be an essential instrument for achieving this, if it is accompanied by a clear reporting system. By such a system, the Treasurer's Office can oversee the way in which the committees and other agencies are using the funds, can relate these expenditures to the income from contributions, and can provide regular reports to the National Assembly. It will also have to combine the expenditures into one coherent set of accounts at the end of the year. The individual in charge of the administration of the funds should be given proper training and guidelines before being entrusted with the funds.
(From a letter dated 30 January 1992 written on behalf of the Universal House of Justice to National Spiritual Assemblies)

43. All Assemblies can assist the condition of the Fund and will augment the confidence of the believers, by the care and economy they exercise in the expenditure of the funds entrusted to their care, for the contributions of the friends are often made with great sacrifice and devotion and constitute a sacred trust and a challenge to the skill and wisdom of those called upon to administer them.
(From a letter dated 29 December 1970 written by the Universal House of Justice to all National Spiritual Assemblies)

44. Quite apart from the technical improvement in the management of your finances anticipated by the House of Justice is the spiritual and social significance of the judicious use of material resources at all levels of the community. The principles of our Faith demand it. Indeed, a great measure of the success of the Cause in the world depends on the ability of its institutions to put in place a system of financial administration that ensures efficiency, transparency and accountability. You are no doubt aware of the spate of revelations by the worldwide media of corruption in the financial dealings of important institutions, including those associated with religions, in many countries, and the scandals they have generated. As a consequence, people everywhere have become confirmed in their suspicions regarding the institutional handling of funds. So both as a practical necessity and as a means of demonstrating to a sceptical public, no less than to members of our own community, the distinction of the administrative practices of the Faith, attention to these qualities, without exception, must be maintained by Bahá'í institutions. You surely know that in a country like your own this is a matter of paramount importance of which the manner of functioning of the Bahá'í community should serve as a shining example to others.
(From a letter dated 12 October 2005 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.1 Facilitating the flow of funds to and from the grassroots

45. One of the purposes of the structure provided by the institutions of the Administrative Order is to facilitate the flow of guidance, information, and funds—between the institutions

themselves but often between individuals or groups and the institutions.
(From a letter dated 30 March 2011 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

46. Whether in the field of expansion and consolidation, social action, or participation in the discourses of society, concerted attention on the part of the three protagonists of the Plan will be required, each supporting the other and building on the rich and unique experiences that your community has gained over the last decade and a half.… To sustain and expand the processes mentioned above and the related activities, an uninterrupted flow of funds to the grassroots is required; a flow that is timely, safe, and reliable.
(From a letter dated 25 July 2022 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

47. It should likewise be recognized that any mechanisms developed by the Councils will need to reflect the varying realities and needs of the clusters within a given region; what will be effective in a rural area, for example, will likely differ from an urban setting. And of course, the strength of the regional treasury office is a critical component in ensuring that the funds are disbursed according to the budget. In this light, it would be advisable to consider the continued development and organization of that office, including the need for physical space to facilitate its operations.
(From a letter dated 12 May 2016 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

48. The House of Justice was glad to learn of your plans to raise up a number of assistants to the regional treasurers who can support this educational process in the clusters and help establish a sound system for receiving contributions to the National Fund and issuing receipts. It would welcome receiving, in due course, brief updates of this process of learning through action.
(From a letter dated 26 February 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

49. …you have indicated in your document, increasing the network of assistants to the National Treasurer would necessitate a number of steps to be taken systematically such as identifying believers who would be suitable for the role, determining how to orient them to their responsibilities, accompanying them in the field, and providing opportunities for them to participate in gatherings where they can exchange experiences. Other steps would be to help the assistants to prepare individual plans of action and to draft a statement that clearly articulates their responsibilities and defines their relationship to the National Treasurer as well as to cluster agencies. Further, as the Regional Councils grow in capacity, their treasurers may be allowed to appoint assistants who would work along the same lines described above, replacing in effect the network of assistants to the National Treasurer.
(From a letter dated 4 December 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

50. With regard to the disbursement of funds, it was noted that you are giving consideration to channelling the funds for the national training institute through the National Treasury Office, and that in a similar manner, funds for the regional institute would be channelled from the National Treasury Office through the Regional Bahá'í Council. You are encouraged to move forward with these plans, and, as you do so, adequate attention will

need to be given to the development of capacity for financial management within the treasury office of the Regional Council.
(From a letter dated 31 October 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.2 Operation of National Treasury Offices

51. The National Assembly as a body has an inescapable responsibility for the care of the funds entrusted to it, and it must ensure that it receives frequent reports from the Treasurer. Such reports should show the income and expenditure of the funds for the period in sufficient detail for the National Assembly to understand clearly what is taking place. They should also show the opening and closing balance on each fund and indicate the assets and liabilities composing each fund balance. Comments should also be included to draw the Assembly's attention to any unusual or unexpected items and to the trends which are indicated by the current figures. This will enable the National Assembly to monitor the condition and progress of the funds and to give all the believers clear information on the way the funds are being used and on the financial needs of the community. Such sharing of information will do much to increase the believers' confidence in the National Assembly and will encourage them to support the funds of the Faith for whose progress they so eagerly yearn.
(From a letter dated 30 January 1992 written on behalf of the Universal House of Justice to selected National Spiritual Assemblies)

2.2.1 Responsibilities of the National Treasury Office

Overseeing internal controls

52. As you may know, as a matter of principle, the bookkeeping and reporting functions must remain entirely separate from the functions associated with the disbursement and receipt of funds.
(From a letter dated 28 April 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

53. The importance of maintaining a transparent and accurate record of your accounts, and exercising spotless integrity and sound judgment for all the funds at your disposal, cannot be overstated. By striving resolutely to reach these objectives, you will win the confidence and wholehearted support of Local Spiritual Assemblies and of every believer. Beyond that, you have a responsibility to set an example for the general population, so that the Bahá'í community in […] will be seen as a model of rectitude of conduct and the embodiment of admirable spiritual values for which all the people of your country yearn. Your efforts to achieve this high standard will have far-reaching effects not only on the progress of the Cause in […], but also on the future of the entire country.
(From a letter dated 18 April 2005 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

Managing the outflow of funds

54. On a related issue, it was noted that one of the lines of action you had in mind to implement was to provide quarterly allocations to each Council, on the basis of the regional budget

submitted to and approved by you. This is a sound approach; certainly, it is preferable to a request-based system, in which funds are only sent to Councils when asked for.
(From a letter dated 4 November 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

Managing the inflow of funds

55. The greater part of the income of any Bahá'í national fund comes from contributions. Every contribution, including contributions in kind, should be meticulously receipted and accounted for. Receipts should be preprinted with sequential numbers, so that each receipt can be easily related to the contribution it acknowledges. Earmarked funds should be recorded and reported separately, and such funds should be used only for the purpose intended.
(From a letter dated 30 January 1992 written on behalf of the Universal House of Justice to National Spiritual Assemblies)

56. Concerning the receipt of in-kind contributions, you are encouraged to consider this as an area of learning and gradually refine your approach over time as you gain experience.
(From a letter dated 27 December 2017 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

Interacting with institutions and agencies

57. In addition to the principle of accountability, a sense of trust should naturally characterize every interaction of the Treasury Office with institutions and believers. In such a context, the trustworthiness of those handling the funds at the grassroots is assumed, not questioned, and paternalistic attitudes, so common in society at large, give way to increasing confidence in the capacity of the believers who are shouldering the work of the Cause in their clusters. Further, a National Assembly as a body has an inescapable responsibility for the care of the funds entrusted to it, and while the Treasurer has a vital role to fill in this regard, this does not relieve other members of all responsibility or deprive them of their right of access to details related to the operation of the Assembly, in all its aspects. This calls for certain qualities from every member of the Assembly, and particularly the Treasurer, including respect, open-mindedness, and diligence. A spirit of loving collaboration should permeate interactions, not only among the members of the Assembly itself but also with other institutions and agencies. In such an environment, the believers would wholeheartedly support the institutions of the Cause and be inspired to contribute sacrificially to the Funds of the Faith.
(From a letter dated 23 March 2014 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.2.2 Establishing a Comptroller's Office

58. For instance, the new Comptroller should be able to provide valuable assistance in preparing the annual budget, monitoring expenditure throughout the year, strengthening your accounting practices, and carrying out regular audits. However, you will need to ensure that your Comptroller is not drawn into the day-to-day operations of the Treasury Office or of your accountant and cashier.
(From a letter dated 8 April 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.2.3 Oversight of the National Spiritual Assembly

59. Another point to be borne in mind is that, while the National Treasurer has a critical function to fulfil in overseeing the management of funds, this does not preclude other members of the National Assembly from following closely all matters related to the financial affairs of the community. Indeed, the National Assembly as a body has an inescapable responsibility for the funds entrusted to its care.
(From a letter dated 4 November 2016 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

60. The general rule laid down by the House of Justice concerning access by Spiritual Assembly members to the files and records of the body is that all members of the Spiritual Assembly are equal and should have access to the files and minutes of the Assembly of which they are members. It is, however, within the discretion of any Spiritual Assembly to so organize its files and records that certain items could be listed as "confidential" and access to those so classified could only be had by specific decision of the Assembly itself. Every institution in the Faith has certain matters which it considers should be kept confidential, and any member who is privy to such confidential information is obliged to preserve the confidentiality within the institution where he or she learned it.

With respect to the information that staff who serve in your National Office should be allowed to access, this is a matter for you to determine, but there would be no inherent objection to a staff member handling your minutes or other confidential materials if he or she was approved to do so. Many National Assemblies employ staff in their national offices who are intimately connected with all the work of the Assembly.
(From a letter dated 22 July 2020 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.3 Managing earmarked contributions to the National Fund

61. In general, although it is permitted for the friends to earmark contributions, it is apparent that it is often better that the friends allow the Assembly to use their contributions without restricting them. Furthermore, an Assembly is by no means obligated to accept an earmarked contribution; if it does, however, it is bound to respect the earmarking.
(From a letter dated 21 August 1980 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

62. Individual Bahá'ís are, of course, free to earmark a contribution to the Fund for a particular purpose, and the institutions of the Faith play an important role in educating the believers in this regard. Although any donor, Assembly or individual, has the right to specify the purpose intended for any contribution of funds or property, if in the judgement of your Assembly such a contribution would be impractical or unwise for you to accept, you would be under no obligation to do so. In accepting a donation, you are free to discuss with the donor the possibility of modifying or expanding the purpose and conditions of the contribution. In cases where the earmarking is of a general nature and an earmarked fund already exists for that purpose, your Assembly may guide the individual to contribute to that fund instead.
(From a letter dated 17 August 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

63. In general, the principle to be observed with respect to earmarked contributions is that, once accepted by a Spiritual Assembly, those funds may only be used for the purpose for which they were given unless the donor consents to a change of purpose. Even in instances where the circumstances have changed and the original purpose for which the funds were given can no longer be met, any funds that remain should to the extent possible be used in a manner having regard for the original intention of the donor or donors. In special circumstances, where the project for which the funds were earmarked has been abandoned or already completed and where the donor cannot be reached—for example, if the donor is deceased or is no longer a Bahá'í, or his or her whereabouts are unknown—the House of Justice has released the Assembly from having to adhere to the earmarking restriction.
(From a letter dated 14 April 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

64. In bookkeeping, a system must be adopted to ensure that earmarked funds are kept absolutely distinct from those that are at the free disposition of the Assembly, and there should be safeguards to prevent the inadvertent spending of earmarked funds on matters other than those for which they are intended.
(From a letter dated 13 July 1981 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

65. Strict adherence to the principles regarding the earmarking of funds is extremely important for many reasons, including the maintaining of the confidence of the friends in matters pertaining to the Fund.
(From a letter dated 21 June 1979 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

66. As you are aware, when an Assembly has accepted earmarked contributions, it is bound by the conditions of the earmarking, and the funds should not be used for any other purpose than that intended by the donor, unless he or she consents to the proposed change. In special circumstances, the Assembly may be released from the restrictions by explicit permission of the House of Justice. As to the question of borrowing from earmarked funds, in general, it is not good administrative practice for a National Assembly to reach into funds which have been designated for a particular purpose, and the House of Justice urges Assemblies to exercise the utmost restraint in this respect. However, there may be times of urgent need when an Assembly feels obliged to make use of earmarked funds for other purposes.

    In taking such action, the Assembly must be confident that it is possible to repay the loan. It must ensure that meticulous records are kept in the books of account and that the earmarked monies borrowed are returned as soon as possible.
    (From a letter dated 18 August 2014 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

67. The House of Justice has recently had occasion to consider this matter and has decided that for earmarked contribution amounts of up to US$10,000 or its equivalent in other currencies, National Spiritual Assemblies themselves now have the authority to decide whether special circumstances exist to justify the release of earmarking restrictions. In cases where the funds involved are over US$10,000, or when there is some doubt, the

permission of the House of Justice to vary the use of the funds should be sought.
(From a letter dated 23 November 2020 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.5 Long-term financial planning

68. It is clear from your analysis and projections that you expect to see the level of material resources required to support the work of the Faith to rise substantially over the course of the Nine Year Plan. That you also expect, based on current trends, the increase in expenditure to outpace the anticipated increase in contributions is noted. The analysis will assist you to make sound decisions to ensure sufficient resources are available when needed, and the lines of action you have devised so far appear to be primarily directed towards this objective. With the new understanding that you have gained of the financial landscape before you, it should also be possible to consider introducing certain approaches which could help the community exercise greater economy, without affecting the pace of developments. Thus, the outlay of funds may ultimately prove to be significantly less than you have projected.
(From a letter dated 30 May 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

69. Providing necessary financial support to the efforts of the friends in all areas of endeavour is a task of every National Assembly. You are encouraged, in continued collaboration with the Counsellor, to find ways of strengthening your financial planning, aiming to avoid situations whereby lack of funds results in the cancellation or delay of activities. In this regard, it is important for your Assembly to develop its capacity to monitor the status of the national and other funds, to assess the financial needs of the plans of action designed to achieve agreed goals, and to foresee quickly whether the funds available are likely to be sufficient to meet forthcoming needs, so that, if this is not the case, effective strategies to deal with the matter may be decided upon.
(From a letter dated 5 September 2011 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.5.1 Some general considerations and practical approaches

70. There is no objection in principle to your Assembly investing funds in public financial instruments. Your primary concern should continue to be the preservation of their real value. Beyond the recommendation that you adopt a generally conservative approach wherever possible, there is no specific guidance to convey to you. Your Assembly would be well advised not to pursue investments without having good professional advice.
(From a letter dated 5 April 2015 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

71. The Assembly is the trustee of all of the funds in its care, and its primary concern in investing such funds should be to try to preserve their real value. Obtaining a good income from such investments is also desirable, but is a secondary consideration and should not be sought if this would endanger the value of the principal.
(From a letter dated 13 June 2004 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

72. Since, in the nature of things, the levels of contributions and expenditures fluctuate, it is most desirable for an Assembly to hold a reserve adequate to bridge periods of relatively high expenditure and low income. This will help it to avoid making too frequent appeals for the friends to meet financial emergencies. Frequently issued appeals - as distinct from the regular giving of information - may tend to lose their effect. At a time of emergency, the Assembly may have to dip deeply into its reserves - an action that your Assembly has just taken - but they will need to be built up again in due course.
(From a letter dated 12 February 1987 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

73. With regard to a property donated to the Faith, it is generally within your discretion to decide the course of action that would best serve the interests of the Cause. You may, on the basis of the present and future value of the property, decide to develop it or to sell it and invest the proceeds in other properties…. It is reasonable that you may consider establishing investments on the properties in question, the proceeds of which could cover maintenance and other costs, in order to provide facilities to meet the future needs of your community.
(From a letter dated 2 October 2018 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

74. In reviewing your request for financial assistance, it was noted that proceeds from a rental property were to significantly supplement your budget. This investment is certainly a valuable source of income; however, you should not come to rely too heavily upon it. The education of the believers as to their spiritual responsibility to contribute to the Fund requires your systematic attention, and you are encouraged to continue with your efforts in this regard.
(From a letter dated 3 December 2013 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.6 Developing financial policies

75. To discharge its responsibilities effectively, the Office will need to operate in a learning mode, creating practices and policies to facilitate its work while taking care to avoid any rigidity that could, in the long run, impede the flow of funds and thus prove counterproductive. As you have noted, the systems in the Treasury need to meticulously observe the laws of the country, and you may therefore wish to review carefully your procedures in relation to the requirements of the laws of […] as they apply to financial matters. Further, you will naturally wish to draw on the assistance of individuals with pertinent experience and skills in enhancing the operations of your National Treasury Office. For instance, it may be possible to identify friends with some knowledge of accounting and financial practices in your country who could assist with these matters.
(From a letter dated 28 October 2013 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.7 Complying with government regulations

76. …you need to take great care to ensure that the requirements of government regulations are followed in future and that the correct documentation is provided as necessary to the authorities. You may wish to consider, perhaps in consultation with Counsellor […], the wisdom of engaging the services of a professional accountant to advise you in this matter, in which case you may, if necessary, amend your budget accordingly. Monetary loss and fines

are, of course, not desirable, but a much more harmful consequence of deficiencies in the Assembly's accounting would be the unfavourable impression that could be given to the authorities in […]. Bahá'í institutions must be meticulous in observing the laws of their country, and should strive to make the Bahá'í community an example of propriety and good practice in the eyes of the government. You may therefore wish to review carefully your procedures in relation to the requirements of the laws of your country as they apply to all financial matters, including the issuing of receipts for contributions received and the obtaining of receipts for items of expenditure, the retention of appropriate documentation and the submission of required accounting records.
(From a letter dated 7 September 2000 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

77. …the Universal House of Justice has asked us to ensure that all National Spiritual Assemblies understand that they are expected to perform regular annual audits of the financial books of the National Assembly. The quality of this audit may differ according to the capacity of the community and availability of appropriate resources. Nevertheless, the objective is for each National Assembly to move towards a professionally managed, independent audit of all its transactions… One of the most important parts of the annual audit process is a review by the entire National Assembly. Such a review should take place after the audit is completed and the auditor has provided the National Assembly with a full set of accounts together with his or her comments. The auditor should also provide the Assembly with a management letter that gives detailed comments on the processes and procedures used by the Assembly in managing its financial affairs along with the auditor's suggestions on ways that the current procedures could be improved. Such a letter and the discussion between the National Assembly and the auditor are invaluable in ensuring ongoing improvement in managing the Assembly's financial affairs.
(From a letter dated 7 June 2007 written on behalf of the Universal House of Justice to Selected National Spiritual Assemblies)

78. With regard to audits, you are encouraged to arrange for a yearly external audit of all your accounts, which will provide an objective overview of the effectiveness of your accounting system and enable you to make further improvements in the management of your financial affairs. You will, no doubt, want to adopt a systematic approach to implementing all the recommendations that result from the audits.
(From a letter dated 2 October 2022 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

79. The universal principle that Bahá'ís uphold is that they obey the law in the terms in which it is enforced in the countries where they reside. It is recognized that there are cases in which certain laws are formulated and are recorded on the statute books but, for a variety of reasons, are not enforced by the authorities. Therefore, actions which are, strictly speaking, illegal are nevertheless openly practised without any objection from the authorities. In such cases, where even the government has no intention of enforcing the law, Bahá'ís may follow the general practice. It is important, however, to distinguish between these situations, where the way in which the application of the law is countenanced and condoned by the authorities differs from the letter of the law, and those situations in which the law is still valid, but is widely disobeyed in defiance of the authorities. In the latter case, Bahá'ís are bound to obey the law, no matter how many of their fellow citizens break it.

In deciding how to proceed, your Assembly will also need to weigh the possibility that following certain practices which are currently condoned by the authorities may present difficulties in future. As the Faith comes increasingly into the public eye, the possibility that an Assembly's business dealings may, at some point, come under intense scrutiny by the authorities or the public must be considered.
(From a letter dated 17 February 2006 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.8 Preparing and implementing a financial system document

80. The document the group prepares should include a description of the arrangements for financial administration and identify adjustments that would be gradually introduced to facilitate a more efficient flow of funds to support activities at the cluster level and to ensure that the training institute has sufficient resources in order to operate in an uninterrupted manner. The paper should also describe the present state of the growth process in your country. This will help you to articulate a vision of how the financial system could evolve in response to the growth of the Faith in your country, as well as the principles, strategies, and lines of action that will assist you in the implementation of that vision. Furthermore, the document could outline means by which a greater sense of shared responsibility can be fostered regarding the material needs of the community, bearing in mind that a higher level of participation in giving to the Fund is likely to occur as consciousness is raised that this is a sacred duty for each believer and a privilege of profound significance in the spiritual life of the individual. Consideration will also need to be given to how to strengthen the budgeting process, defining how your financial resources are allocated according to the exigencies of the Five Year Plan, and the level of support required from the National Fund by various institutions and agencies. This will necessitate entities at the cluster level developing greater capacity to assess their financial needs in light of their plans. In addition, it would be important to document how the reporting process can be further improved and what measures may be needed to avoid rigidity within the system while continuing to ensure that the funds being provided are accounted for properly. Finally, the paper would describe the responsibilities of the National Treasurer in overseeing all aspects of the work of the Treasury Office as well as the qualities and skills required of staff who serve in this demanding area.
(From a letter dated 30 December 2018 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

81. Naturally, as experience is gained in the implementation of the lines of action described in your financial system document, you will find it valuable to periodically review its contents and make adjustments as necessary. The House of Justice looks forward to learning of your progress as you proceed with your plans, and it would welcome receiving future versions of the document that reflect substantial changes.
(From a letter dated 19 November 2024 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

82. Now that over six years of systematic action in this crucial area have elapsed during which extensive experience has been gained, you are encouraged to reflect, in consultation with the Counsellors and with the assistance of […], on the progress that has been made in light of the goals that were set—as described in your financial system document—what has been achieved, and how much is still to be accomplished. It is hoped that your analysis will

further enhance your ability to apply what has been learned and to guide and support those tasked with the implementation of its provisions, including the working group that was established to follow the development of administrative systems at the regional level. As you implement the various lines of action, it is hoped that you will continue to capture your insights, describing, for example, the factors that are contributing to the success of the regional planning and budgeting meetings and the improvements in accounting and reporting on funds at the regional level. The steps outlined above will naturally lead to revisions of your document and may be included as an appendix.
(From a letter dated 22 March 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.9 Assisting Regional Bahá'í Councils to assume their responsibilities

83. Your National Assembly will naturally extend to them a sufficient degree of latitude and the necessary assistance and resources, financial and otherwise, to ensure that they are able to effectively carry out their functions and support the work of the agencies serving at the cluster level.
(From a letter dated 24 January 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

84. Nevertheless, as you help the Regional Council assume its responsibilities, you will certainly need to bear in mind that the process of capacity building is necessarily gradual and cumulative. In light of this, you will want to ensure that your interactions with the Council—particularly the manner in which you provide the necessary financial resources for it to carry out its work—are at once systematic and flexible, and demonstrate your confidence in its growing abilities. As you will appreciate, the Council will need to be granted the latitude within which it can move forward and learn from its accomplishments, mistakes, and setbacks.
(From a letter dated 22 January 2017 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.9.1 Operation of regional treasury offices

85. Regarding the treasury office, the focus will need to be on creating a simple financial system, including basic mechanisms for budgeting, accounting and reporting, and facilitating the flow of funds to the grassroots. This may require that the office be served initially by a part- or full-time bookkeeper and that a separate arrangement for the management of cash be put in place. Overall, facilitating a sound and systematic process to strengthen the operations of the secretariat and the treasury office of the Regional Council might require the preparation of simple documents that describe the associated systems, processes, and responsibilities.
(From a letter dated 21 July 2020 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

86. The House of Justice was particularly interested to learn that a centralized accounting operation will be established in the […] region that enables various institutions and agencies functioning at the regional level to benefit from the services of one suitably qualified accountant. It is hoped that arranging the regional treasury office in this way will promote efficiency and assist in standardizing accounting practices and that it will help raise

up more individuals who can support the growing financial management needs in the region. Of course, it would be important that each of the entities has an individual designated as cashier in order that the handling of cash continues to be separated from the accounting function. This arrangement holds great promise. It will therefore need to be approached with an attitude of learning that allows for it to be refined in light of experience and established in other regions as well.
(From a letter dated 15 February 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.9.2 Establishing regional branches of the National Fund

87. Regarding your intent to establish a regional branch of the National Fund, as noted in your annual plan, the delegation of this function to Regional Bahá'í Councils requires a certain level of functional maturity. Therefore, priority should, in the first instance, be given to strengthening the treasury capability of the recently formed Regional Council […]. Once this process of maturation is sufficiently advanced, you may wish to consider the devolution of this role to the Council.
(From a letter dated 28 October 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

88. The House of Justice envisages that, through the loving encouragement of the National Spiritual Assembly and Regional Bahá'í Councils, the believers will gradually increase their level of support for the regional branches of the national fund, which will, in turn, have a beneficial effect on the number of those who contribute to all the funds of the Cause and on the level of their contributions. The National Assembly would approve budgets for the Councils annually, and the contributions received from the friends in each region would be applied towards their Council's budget. The National Assembly would provide funds to a Council if the contributions received by its branch of the national fund did not cover the Council's entire budget. If contributions from the friends were to exceed the amount of the Council's budget, the balance would accrue to the national fund. Contributions that are intended for cluster activities, whether received centrally or by the Regional Councils, would be handled in the same way as funds earmarked for any other purpose, that is, the full value of the amount contributed would be applied to the fund or activity as requested by the donor.
(From a letter dated 22 February 2007 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.9.3 Managing funds at the cluster level

89. With regard to your proposal to establish cluster funds that would be managed by the Area Teaching Committees, the House of Justice does not feel that this would be appropriate. While agencies at the level of the cluster, such as an Area Teaching Committee, would not engage in fund-raising or solicit contributions from the believers, there are a number of ways by which Local Spiritual Assemblies or individual Bahá'ís may contribute towards the activities carried out in the cluster. For example, Local Assemblies may support the work of the cluster agencies by hosting or arranging certain events and gatherings. The friends also have the possibility of making donations towards specific activities or projects carried out in the cluster. Further, contributions earmarked for the support of the cluster activities can be made to the National Fund, or its regional branch. In this regard, the House of

Justice encourages you to consider implementing the proposal, mentioned in your document, to authorize the treasurers of the Regional Councils to appoint a trustworthy person in each of the more advanced clusters to serve as his or her assistant. Such an assistant would be primarily responsible for collecting and forwarding contributions to the Council and for disbursing funds to the Area Teaching Committee on behalf of the regional treasurer.
(From a letter dated 18 November 2015 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

90. With regard to your question pertaining to Area Teaching Committees, it is ordinarily expected that the secretary could carry out much of the committee's work, but it is also possible for a few designated believers to discharge certain administrative functions, such as, in this case, receiving funds from the Regional Bahá'í Council or Local Spiritual Assemblies and expending them as necessary. In this sense, one of the members of the committee could be designated to serve in the capacity of treasurer; this function would not, however, include collecting contributions from the believers.
(From a letter dated 8 September 2008 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

91. The ongoing attention you are giving to how funds are being managed at the cluster level and how further capacity is being built in this regard, especially where the process of growth is more complex and large outlays of money are involved, is commended. It is also appreciated that in doing so, you are ever conscious not to distract agencies serving at the cluster level from their most important preoccupation, namely, fostering the expansion and consolidation of the Bahá'í community.
(From a letter dated 30 October 2022 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

92. A Local Spiritual Assembly maintains a keen interest in learning how best to advance the community-building work within its jurisdiction, and as such it consults regularly with friends involved in coordinating endeavours in the cluster. It follows closely the development of any centres of intense activity in the locality, especially by offering support to the teams of believers who have emerged there and are stimulating the process of growth. In general, the more the intensification of activity requires organizational arrangements at the level of the locality or in parts of the locality—say, arranging campaigns of home visits, accompanying families who are holding devotional meetings, or encouraging them to form groups to work together—the more prominent the role that can be assumed by the Local Assembly in this regard.
(From a message dated 30 December 2021 written by the Universal House of Justice to the Conference of the Continental Boards of Counsellors)

2.9.4 Preparing a financial system document at the regional level

93. The thought that you have given to your administrative and financial systems is commendable, and it is evident from a review of the documents that your Assembly has prepared that you have made significant advances in your capacity to create clear frameworks and systems and to reflect on experience. The insights you gain as you implement your plans will no doubt aid you over time to further refine these documents. It seems timely to encourage your Regional Bahá'í Councils to prepare simple documents that

describe the associated systems, processes, and responsibilities of their treasury offices. These would be added, in due course, as appendices to your national financial system document.
(From a letter dated 12 September 2024 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

94. As each regional document is finalized, it could be added to the national document as an appendix. Over time, the insights that emerge through the implementation of the provisions of these documents will help you further refine your overall financial system.
(From a letter dated 27 June 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

95. That the exigencies of the growth of the Faith in […] may necessitate the creation of such a desk is heartening, and there is, in principle, no objection to your proceeding with this course of action. Notwithstanding that you envision the operation of the desk to unfold organically, you may in your ongoing consultations with the Counsellors, and also with […], wish to explore various aspects concerning its mode of functioning, its mandate, and the identification of suitable staff. In this regard, the primary responsibility of the desk may be conceived as assisting your National Assembly in its efforts to help Regional Bahá'í Councils put in place administrative systems to facilitate the flow of information and guidance, and streamline their financial management. Within the National Office, it would be part of the Secretariat, and its work may be directed by the National Secretary. Initially, you may wish to focus the efforts of the desk by asking it to begin to work with two or three Regional Councils, after which time your Assembly could, in light of experience gained, consider the next steps. The refinement of administrative systems at the regional level is, of course, a challenging task, and is one that will continue to unfold over many years. Success in this arena will greatly depend on the effective functioning of this desk, the strengthening of which will require your focused attention.
(From a letter dated 5 October 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

96. In the meantime, you may be able to disseminate more quickly certain insights and approaches with regard to specific aspects of the work of a Regional Council that have been accrued as a result of systematic efforts in certain regions. As an example, the development of a network of assistants to regional treasurers, drawn from believers in advanced clusters, has proven to be an effective approach for raising awareness about the sacred privilege of contributing to the funds of the Faith, and the efficient collection of donations from the friends. Your Assembly is now in a position to clearly document the lessons learned and apply them much more widely across the country. The role that the desk will play in this process will be critical, and the resources available to it need to be much augmented. In this regard, the desk may be able to draw upon the services of capable individuals, for instance, from among those who have been involved in the conversations with the three Regional Councils regarding the development of administrative systems at the regional level.
(From a letter dated 17 February 2021 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

97. The desk will, of course, need your full support and the necessary resources in order to carry out the responsibilities mentioned above and to fulfil its mandate of helping Regional Bahá'í Councils as they streamline their financial management, strengthen the operations of

their treasury offices, and devise a systematic approach, in consultation with the Counsellors, to raising the believers' consciousness and channelling their contributions. Since your Treasury Office also has operational interactions with the regional treasury offices, it is important that the two entities at the national level coordinate their activities so that there is clarity about their respective roles in helping the Regional Councils and any duplication of effort is thereby avoided.
(From a letter dated 30 May 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

2.10 Managing the funds of the Faith at the local level

98. In localities where large numbers are being welcomed into the embrace of Bahá'í activities, and where the complexity of an Assembly's work and manifold responsibilities is increasing, the Assembly sometimes finds that its Secretary needs to be supported by a staffed office, and eventually, the need for a befitting local Ḥaẓíratu'l-Quds becomes more pressing.

    As Local Assemblies begin to take on a greater and greater share of responsibility for nurturing the development of the community, institutions at the regional and national levels must become more systematic in their efforts to support them. We have been pleased to see this need being addressed in methodical ways, for instance by National Assemblies or Regional Councils convening periodic meetings with the Secretaries and other officers of Local Assemblies to consult about the unfoldment of specific lines of action.
    (From a message dated 30 December 2021 written by the Universal House of Justice to the Conference of the Continental Boards of Counsellors)

3. PLANNING AND BUDGETING

3.1 Planning and budgeting process

99. One essential feature of a financial system is an efficient planning and budgeting process. As you know, the preparation of a national budget provides a National Assembly with an occasion to consider the overall needs of the Faith in the country and direct its financial resources to where they are required and to where opportunities exist. If a National Assembly finds that its projected annual expenditure exceeds its projected income, it is encouraged to turn to the House of Justice with a request for financial assistance.
    (From a letter dated 5 June 2019 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

100. Regarding the matter of the budget of the N.S.A. he feels that both wisdom and courage is required in this matter. You should not fix a budget which is too heavy for the community to meet, even with sacrifice. Both the pressing needs of the Cause and your Plan, as well as the foreseeable possibilities of your income should guide you.
    (Shoghi Effendi, The Unfolding Destiny of the British Bahá'í Community, p. 212)

101. It will be very difficult for a National Spiritual Assembly to plan or implement the work of the national Bahá'í community if it does not have a clear knowledge of the funds available, of the areas of work to which they are assigned, and of the rate at which they are being

expended. It is therefore essential for the Treasurer's Office to prepare a budget each year for the approval of the National Spiritual Assembly, and for it to have a system whereby it can ensure that this budget is being followed by all the various agencies under the National Assembly's direction.
(From a document entitled "Establishing a Comprehensive Treasurer's Office for a National Spiritual Assembly", enclosed with a letter dated 13 June 1996 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

102. National plans, formulated in the context of the global plans of the Faith, serve as the framework within which the friends can undertake action. Through them, National Assemblies not only set goals to be pursued by themselves and their agencies, but also give direction to the believers, define for them priorities and areas of action, and elicit from them wholehearted response to the directives of the Universal House of Justice. Accordingly, they adopt measures to provide resources—literature, pioneers and travelling teachers, regional and national events, and funds as required—to support the initiatives of the friends.

The plans of action that Regional Councils, Area Teaching Committees and Local Spiritual Assemblies devise in the ensuing process need to go beyond the mere enumeration of goals to include an analysis of approaches to be adopted and lines of action to be followed. Indeed, at this level, planning and implementation must go hand in hand. If learning is to be the primary mode of operation in a community, then visions, strategies, goals and methods have to be re-examined time and again. As tasks are accomplished, obstacles removed, resources multiplied and lessons learned, modifications have to be made in goals and approaches, but in a way that continuity of action is maintained.
(From a document dated January 2001 prepared by the Universal House of Justice, entitled "The Institution of the Counsellors")

103. Your ongoing endeavours to assist Regional Bahá'í Councils to build their capacity to prepare budgets according to well-conceived plans and within a defined time frame is noted with appreciation, as is your intention to encourage the involvement of friends and agencies serving at the cluster level in this exercise. An approach that some National Assemblies have found helpful is to assist Regional Councils to organize a planning and budgeting meeting soon after their formation in November—so that the preparation of the budget is one of the early tasks that the Councils carry out—to which they invite all cluster agencies and some active believers. Such meetings, organized in consultation with the Counsellors, provide an opportunity for the participants to reflect on the development of the Faith within the whole region, study guidance, share experience, and examine approaches that have proven effective. As a result of these deliberations and in light of the available human resources, cluster agencies are then able to prepare plans of action that can be implemented forthwith. These deliberations will also assist in estimating the financial resources needed at the regional and cluster levels to support the intended activities.
(From a letter dated 6 April 2022 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

104. Another matter that the Regional Bahá'í Council will need to follow closely is, of course, strengthening the planning and budgeting process in the region. …it was acknowledged that you intend to follow two aspects in this process, the first involving planning and budgeting in groups of adjoining clusters and the second concerning the convening of periodic budgeting meetings at the regional level. It is apparent that circumstances in the

[…] region present you with a great opportunity to learn about these two aspects. At the level of groups of adjoining clusters, the Regional Council will need to encourage Bahá'í communities to draw as much as possible upon whatever material resources exist within them when considering how to carry out their activities. As you no doubt appreciate, strengthening the culture whereby the believers support the work of the Faith using their own resources is vital to sustaining the process of growth in any cluster. The Council will need to pay close attention to this aspect and determine when and how to supplement the efforts of the friends with financial resources that are at its disposal. As for the regional planning meeting, this is a gathering to which the Council would invite a number of friends that are closely associated with the work of the Faith, especially in the most advanced clusters, in order to help the Council formulate the annual plan and budget for the region. This meeting would, necessarily, take place annually, soon after the start of a new term, in order that the regional budget can be submitted to you in a timely matter.
(From a letter dated 2 December 2018 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

105. Given the immensity of the work and the multiplicity of the lines of action your community is pursuing, it is appreciated that you are devoting special attention to the question of how the needed material resources are to be generated and that you are educating the believers on the importance of contributing to the Funds of the Faith. Beyond raising consciousness about giving to the Fund, what might merit your further reflection is how Bahá'í communities across your country can be encouraged to draw as much as possible upon whatever material resources exist within them when considering how to carry out their activities. For instance, it is understood that in some of your clusters, resources such as food and housing, needed for organizing institute campaigns, youth gatherings, or reflection meetings, are offered by the community. This experience could be clearly written up and shared with the friends in the growing number of clusters in which efforts for the progress of the Faith are under way, where it will surely serve as a source of encouragement and inspiration. Tapping the evident resilience and resourcefulness of the […] believers to marshal the resources required for advancing the process of growth, will, no doubt, enhance the sustainability of the work of the Cause at the grassroots.
(From a letter dated 17 March 2016 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

106. The presentation of the budget should include not only estimated expenditure for the year, analysed under various headings, but also an estimate of the expected contributions and other income, and information as to the balances of funds on hand, or expected to be on hand, at the beginning and end of the period. It would also be appreciated if the budget could show a comparison between the previous year's budgeted and actual figures for both income and expenses and the new year's budgeted figures for each item.

    You may wish to review with the National Assembly whether the budget reflects the need to exercise economy and restraint in utilizing the funds of the Faith, while ensuring that the vital work of expansion and consolidation is not hampered. In this connection, the budget would include provisions for the operation of the training institute, the support of cluster teaching initiatives, and the production and distribution of literature. It should also reflect

requirements for the efficient functioning of Area Teaching Committees based on budgets received from those Committees.
(From a letter dated 8 May 2011 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

107. From a study of the figures you presented, it was noted that a significant proportion of your projected expenditures were dedicated to administrative functions with a smaller percentage allocated to teaching and the growth of the Faith. In light of this observation, you are encouraged in future to carry out an analysis of your budget in order to identify those areas of your administrative operations that could perhaps be reduced and to prioritize expenditure related to growth.
(From a letter dated 3 January 2023 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

108. In your report you raise the issue of funds for the regional training institutes. It is correct to assume that, since the institutes are under the direction of the Regional Bahá'í Councils, their expenses would be included in the Councils' overall budgets, which are, in turn, part of the national budget.
(From a letter dated 30 April 2006 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

3.2 Implementing a budget

109. Once regional budgets are prepared and approved by your Assembly, it will be important to ensure that the Regional Councils receive the allocated funds expeditiously and have sufficient latitude in their use.
(From a letter dated 8 April 2022 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

110. …you are encouraged to analyse with the National Assembly whether the expenditures incurred in the previous year were commensurate with the activities undertaken and goals accomplished. Such an exercise will enable the Assembly to determine whether funds are being used effectively and to devise plans and budgets accordingly.
(From a letter dated 8 May 2011 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

111. The House of Justice noted with appreciation that the budget was prepared in consultation with the Counsellors…it was pleased to see the continuing growth in contributions from the friends in […], which cover an increasing portion of your budget. With regard to the total amount of your budget, it is, of course, natural to expect some increase in your expenses from year to year. However, there has been a rather significant rise in your budget over recent years, and this is a matter that merits your attention as you continue to assess the financial needs of your national community and further develop your planning and budgeting processes.
(From a letter dated 1 December 2013 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

3.3 Funding sources

112. "Self-sufficiency" insofar as finances are concerned means complete financial independence in handling all your activities. The House of Justice realizes that this is a goal that can only be achieved gradually. It takes time and calls for the education of the friends and if, as you have stated, at present such a goal is unrealistic and cannot be met, you should intensify your efforts to deepen the friends in appreciating the obligation and privilege of contributing to the Fund. Of course, to the extent necessary, you may turn to the House of Justice for aid, as nothing should be allowed to impede the progress of the vital teaching work. You are also free to consult with the Counsellors to determine what contribution could be made from funds available to them for such purposes.
(From a letter dated 8 March 1990 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

113. In order to be able to correctly plan its work, avoid extending itself beyond its financial capacities, and ensure that the best use is made of the resources of the community, a National Spiritual Assembly needs to prepare a budget. If it will require financial assistance from other sources, such as the Bahá'í International Fund, it should present its budget to the Counsellors in plenty of time to obtain their comments and recommendations before submitting it to the Holy Land. The budget should include not only estimated expenditure for the year, analysed under various headings, but also an estimate of the expected contributions and other income, and information as to the balances of funds on hand, or expected to be on hand, at the beginning and end of the period. Whenever possible, a two- to three-year forecast of major income and expenditure categories should be prepared in order to assist in determining and controlling long-term projects, as well as to help in smoothing the year-to-year transition for the National Assembly.
(From a letter dated 30 January 1992 written on behalf of the Universal House of Justice to National Spiritual Assemblies)

114. As you know, your national budget does not require the approval of the Universal House of Justice. It reviews your budget and other financial statements in order to determine the extent of its annual contribution to your National Fund and to offer you, as needed, relevant guidance to increase the efficiency of your functioning.
(From a letter dated *13 June 1996* written on behalf of the Universal House of Justice to a National Spiritual Assembly)

115. Indeed, depending upon the circumstances, some national communities may remain dependent on external assistance for an extended period of time. What the House of Justice wishes to guard against is new National Assemblies or individual believers in such areas becoming accustomed to the idea that they merely have to think of activities and the funds will be provided to them from abroad. Such a mindset can be detrimental to the spiritual health of the community, and the work of the Cause oftentimes comes to a standstill if the monies are no longer forthcoming.
(From a letter dated 23 September 1996 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

116. Although the principle of not accepting contributions from non-Bahá'ís for strictly Bahá'í purposes generally applies to receiving free grants, if a grant is given by a government to all religious organizations under its jurisdiction there would be no objection

in principle to a Spiritual Assembly accepting it. Therefore, concerning your question regarding accepting state aid for …, this is permissible if the government has offered this support to other religious organizations and provided that there are no extraordinary conditions attached. Accordingly, your Assembly is free to decide on a case-by-case basis whether it is wise to accept any particular grant.
(From a letter dated 16 May 2015 written on behalf of the Universal House of Justice to a National Spiritual Assembly)

117. In general, it is improper to solicit or accept funds from non-Bahá'í institutions or individuals for any strictly Bahá'í purposes. However, as you know, in addition to the work of expansion and consolidation, Bahá'í communities also engage in activities that are humanitarian in nature or that further the aims of social and economic development. If the benefits of such activities are not limited to Bahá'ís only, there would appear to be no reason for not accepting contributions from non-Bahá'í sources towards their implementation. It is important, in such cases, to ensure that the acceptance of funds from any source in no way affects the direction and underlying principles of the project concerned.
(From a letter dated 16 September 2020 written on behalf of the Universal House of Justice to a National Spiritual Assembly)